LOCAL AUTHORITIES BOARD

TWENTY-SEVENTH

ANNUAL REPORT 1987

Alberta

LOCAL AUTHORITIES BOARD

88-05074/

Alberta
LOCAL AUTHORITIES BOARD

6th Floor, Pacific Plaza, 10909 Jasper Avenue, Edmonton, Alberta, Canada T5J 3L9 403/427-4278

January 29, 1988

The Honourable Don R. Getty
President of the Executive Council
Province of Alberta
307 Legislature Building
EDMONTON, Alberta
T5K 2B7

Dear Mr. Getty:

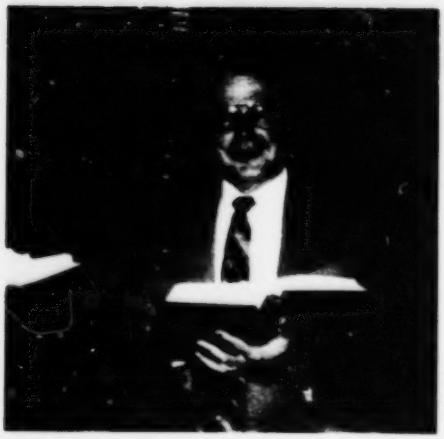
I have the honour to submit herewith the Twenty-Seventh Annual Report of the Local Authorities Board for the year 1987.

In addition to providing the information required by Section 26 of the Local Authorities Board Act, this Report also presents a brief description of the Board, its responsibilities and significant activities which occurred during 1987.

Respectfully yours

B.T. Clark
Acting Chairman

B.T. Clark
Secretary-Member
(Acting Chairman)



H.W. Thiessen
Member

R. Myroniuk
Territorial Services Manager

E. Fries
Financial Services Manager

S. Lukian
Assistant
Financial Services

N. Radomsky
Clerk Typist

I. Morin
Stenographer

C. Gilman
Clerk

From the Acting Chairman

It is my pleasure to present the 27th Annual Report of the Local Authorities Board and review briefly our activities during 1987.

A number of significant factors impacted on the Board this past year commencing with the retirement in May of the Board Chairman, Charles Shelley. Mr. Shelley served as Chairman of the Board since November of 1979. Also in May, Henry W. Thiessen was appointed a Board Member. In June the former Alberta Chief Justice, J.V.H. Milvain, was appointed to chair a division of the Local Authorities Board responsible for hearing the City of Leduc's annexation application.

The Board undertook a revision of its tariff of fees schedule to recognize and differentiate various types of applications. The new tariff came into effect on June 30.

The number of petitions received for annexation and tax exemptions decreased slightly from 59 in 1986 to 48 in 1987, although the number of tax exemption applications submitted to Cabinet increased by 25% in 1987. Altogether the Board conducted 42 hearings into annexation and tax exemption applications.

The number of financial applications which includes municipal and school debentures, New Town estimates, use of surplus funds and amendments received and/or carried over from 1986, totalled 336, of which 318 were granted in full or in part.

Board fees collected in 1987 decreased from $133,917 in 1986 to $102,558 due to the reduced number of applications. Municipalities have shown restraint by not incurring debts for non-essential capital works together with accepting and recognizing their respective positions regarding the Municipal Debt Guidelines which came into effect in March 1986.

The Board was represented at the AUMA Convention, the Administrators Refresher program and the Rural Administrators Program.

In closing I wish to express my sincere appreciation to our staff for their contribution and valuable work during the past year.

Introduction

Authority

The Board obtains its authority from the Local Authorities Board Act, Chapter L-27, Revised Statutes of Alberta 1980, as amended.

The Board

The Local Authorities Board of Alberta is an independent quasi-judicial tribunal. The Board has all such powers, rights, privileges and immunities as are vested in the Court of Queen's Bench with regard to proceedings, the attendance and examination of witnesses, the production and inspection of documents, the enforcement of its Orders, the payment of costs and all other matters necessary or proper for the due exercise of its jurisdiction or otherwise for the carrying into effect any of its powers.

The Orders, decisions, rules or regulations of the Board may, with leave, be appealed to the Court of Appeal on questions of jurisdiction or law but not on questions of fact. The Board's Orders relating to petitions for annexation have no effect unless approved by the Lieutenant Governor in Council who may approve the Order, prescribe conditions that the Order is subject to and approve the Order subject to those conditions, vary the Order and approve the Order as varied, or disapprove the Order.

The Board is not subject to direction by any Minister, Member of the Legislative Assembly, or government official in respect to its quasi-judicial duties.

The Members

The Local Authorities Board Act provides for not more than six persons appointed by the Lieutenant Governor in Council as members of the Board. A member of the Board holds office during pleasure.

The Staff

The Board had eight staff members in 1987. The Financial and Territorial Services Divisions report to the Secretary-Member.

Location

The Board offices are located on the 6th Floor of the Pacific Plaza, 10909 Jasper Avenue, Edmonton, T5J 3L9 (telephone 403-427-4278).

Reporting and Audit

The Board reports to the Lieutenant Governor in Council through the Minister of Municipal Affairs. The Board's expenses are paid from the Province's General Revenue Fund and the accounts are audited by the Provincial Auditor General.

Financing

The Board operates on a fiscal year basis, April 1st to March 31st and submits a yearly budget for approval to the Legislature. As of December 31, 1987, the Board was within its total budget. It is difficult to forecast expenditures accurately as the Board cannot estimate precisely the nature, extent and number of applications with which it must deal.

The table below indicates the details of the Board's budget:

EXPENDITURE GROUPS	ACTUAL 1986-87	ESTIMATE 1987-88
Manpower	376,061.36	408,007.00
Supplies and Services	30,652.68	77,605.00
TOTAL EXPENDITURE	406,714.04	485,612.00

The Board obtained $102,558 from fees during 1987 in connection with applications from local authorities for loan authorizations by way of debentures, petitions for annexation or separation of land, applications for tax exemptions, miscellaneous amendments, and copies of Orders, etc.

Responsibilities

The Local Authorities Board Act — Other Acts Administered

Section 27 of the Local Authorities Board Act states that

(1) The Board has all the necessary jurisdiction and power

(a) to inquire into the merit of any application of a local authority for permission to raise money by way of debenture or on the security of stock;

(b) to supervise the expenditure of money borrowed by a local authority;

(c) to deal with the financial affairs of local authorities;

(d) to grant permission for the extension of the time for repaying the indebtedness incurred by a local authority for the cost of its public works;

(e) to separate land from an urban municipality;

(f) to order compromises of tax arrears;

(g) subject to the approval of the Minister to establish limits for borrowing by local authorities.

(2) In addition to the jurisdiction and powers mentioned in subsection (1), the Board has all necessary jurisdiction and powers to perform any duties that are from time to time assigned to it by statute or pursuant to statutory authority.

In addition to the aforementioned legislation, there are also numerous sections within the Municipal Government Act which require the approval of the Board pertaining to various matters. There are also several sections within the Municipal Taxation Act, the Municipal Tax Exemption Act, the New Towns Act, the School Act, the Planning Act, the County Act, the Clean Water Act, the Irrigation Act, the Hospitals Act and the Tax Recovery Act that fall to a certain extent under the jurisdiction of the Board. The Board is bound by the Administrative Procedures Act.

Services

The Board considers and decides upon matters falling into several categories:

A. Debt Creation and Debt Management

1. Applications by local authorities for authorization of debenture borrowings (the Local Authorities Board Act, the Municipal Government Act and the School Act).

2. Applications by local authorities for use of surplus debenture funds (the Municipal Government Act and the Local Authorities Board Act).

B. Financial Management

3. Applications for inquiry into the affairs of local authorities where financial difficulties are involved, including fixing by Order of the terms and conditions of any resultant financial control of the authority by the Board (the Local Authorities Board Act).

4. Authorization of financial programs for controlled local authorities including a New Town (the Local Authorities Board Act and the New Towns Act).

C. Taxation, Arrears and Special Assessments

5. Recommendations to the Lieutenant Governor in Council respecting applications by non-profit organizations for exemption from assessment and taxation of properties leased from the Crown or owned and either used by the organization or leased to other non-profit organizations (the Municipal Tax Exemption Act).

6. Applications for compromise of tax arrears (the Local Authorities Board Act).

7. Applications by municipalities for approval to carry out local improvement work and assess the costs thereof against the properties concerned, notwithstanding the lack of consent of the required majority of owners concerned (the Municipal Taxation Act).

D. Territorial Jurisdiction

8. Petitions for annexation or separation of lands to or from municipalities, including the fixing of terms and conditions of such annexation or separation (the Municipal Government Act, the Local Authorities Board Act and the County Act). The annexation Board Orders are subject to approval by the Lieutenant Governor in Council.

9. Applications for approval to acquire lands lying outside the boundaries of a municipality when consent of the municipality in which the lands are situated cannot be obtained (the Municipal Government Act).

10. Referrals by the Irrigation Council of petitions for formation, change of area, amalgamation or dissolution of Irrigation Districts, including the fixing of terms (the Irrigation Act).

E. Other Matters

11. Recommendations to the Lieutenant Governor in Council concerning matters referred to the Board (the Local Authorities Board Act).

12. Applications to authorize the amendment or rescinding of municipal tax sharing agreements when mutual agreement cannot be reached (the Municipal Government Act).

13. Applications by ratepayers for examination of procedures in determining the sufficiency of a petition for or against a local improvement (the Municipal Taxation Act and the Municipal Government Act).

14. Applications by municipalities for establishment and maintenance of plans of insurance to cover municipal property losses and municipal legal liability to others arising out of accidents and occurrences (the Municipal Government Act).

Other Functions

General

The Board communicates through its Orders, Recommendations and Regulations and does not report to any superior in respect to its day to day activities. However, the Board performs a number of functions to assist the Government, Legislative Assembly and municipalities while still maintaining its independence and quasi-judicial status.

Inquiries

The Board, on its own motion may, and upon the request of the Lieutenant Governor in Council shall, inquire into, hear and determine any matter or thing within its jurisdiction. Public hearings are generally held in respect to such inquiries with the result that the Lieutenant Governor in Council receives a report.

Reports

The Board reports its activities to the President of the Executive Council by means of its Annual Report.

Legislative Changes

When requested, the Board provides comments on proposed changes to legislation.

Orders in Council

The Board issues Orders and makes Recommendations for Orders in Council in respect to annexation and tax exemption matters respectively. The Lieutenant Governor in Council makes the decision whether or not to approve same.

Activities

The following is a summary of applications dealt with by the Board:

	CARRIED FROM 1986	NEW ADDED IN 1987	NUMBER GRANTED IN PART OR FULL	NUMBER NOT GRANTED*	OUTSTANDING AS AT DEC. 31, 1987
Financial					
Debenture	13	268	268	7	6
New Town Estimates	0	1	1	0	0
Use of Surplus Funds	0	23	19	2	2
Amendments	0	25	24	0	1
Miscellaneous	0	6	6	0	0
Territorial					
Annexation	4	15	10	1	8
Separation of Land	0	0	0	0	0
Tax Exemptions	16	33	15	27	7
Amendments	3	0	0	0	3

(*NUMBER NOT GRANTED includes applications refused, returned or withdrawn.)

Summary

Debenture Borrowings Approved — 1987 (In Thousands of Dollars)

Category of Application	Cities	Towns and New Towns	Villages	Counties and Municipal Districts	School Divisions and Districts	Water Commissions	Total
Sewer and Water							
# Approved	12	17	7	7	0	1	44
Amount Approved	14,536	5,357	339	624	0	245	21,101
Roads, Bridges, Curb, Gutter and Sidewalk							
# Approved	76	29	3	3	0	0	111
Amount Approved	39,315	4,273	158	1,747	0	0	45,493
Land and Municipal Buildings							
# Approved	7	3	2	1	0	0	13
Amount Approved	13,982	320	125	1,750	0	0	16,177
Vehicles, Equipment and Machinery							
# Approved	8	8	0	6	0	0	22
Amount Approved	17,092	516	0	1,260	0	0	18,868
Utilities							
# Approved	8	0	0	0	0	0	8
Amount Approved	17,771	0	0	0	0	0	17,771
Parks and Recreational							
# Approved	9	1	0	0	0	0	10
Amount Approved	10,799	410	0	0	0	0	11,209
School							
# Approved	0	0	0	26	49	0	75
Amount Approved	0	0	0	19,292	37,963	0	57,255
Health and Community Services							
# Approved	3	0	0	0	0	0	3
Amount Approved	1,111	0	0	0	0	0	1,111
Subdivision and Development							
# Approved	0	1	0	0	0	0	1
Amount Approved	0	316	0	0	0	0	316
Totals							
# Approved	123	59	12	43	49	1	287
Amount Approved	114,606	11,192	622	24,673	37,963	245	189,301

Summary

Annexations Granted — 1987

PROPOSED USE OF ANNEXED LANDS IN HECTARES (ACRES)

	CITIES	TOWNS	VILLAGES	COUNTIES	TOTAL
Number of Applications	1	6	2	1	10
Residential	62.10 (153.39)	99.25 (245.25)	1.30 (3.20)	0.00 (0.00)	162.65 (401.84)
Industrial	0.00 (0.00)	64.48 (159.33)	0.00 (0.00)	0.00 (0.00)	64.48 (159.33)
Commercial	0.00 (0.00)	69.33 (171.33)	0.00 (0.00)	0.00 (0.00)	69.33 (171.33)
Control	0.00 (0.00)	3.24 (8.00)	0.00 (0.00)	0.00 (0.00)	3.24 (8.00)
Recreational	0.00 (0.00)	118.90 (293.81)	3.24 (8.00)	0.00 (0.00)	122.14 (301.81)
Other	0.00 (0.00)	14.52 (35.86)	0.00 (0.00)	1.62 (4.00)	16.14 (39.86)
Totals	62.10 (153.39)	369.72 (913.58)	4.54 (11.20)	1.62 (4.00)	437.98 (1,082.17)

Summary of Financial Applications Approved, by Local Authority

CITIES	
Airdrie	1
Calgary	36
Camrose	7
Drumheller	1
Edmonton	45
Fort McMurray	3
Leduc	1
Lethbridge	10
Medicine Hat	10
Red Deer	7
St. Albert	3
Spruce Grove	3
Wetaskiwin	5
Total	132

TOWNS	
Barrhead	1
Bon Accord	1
Bonnyville	3
Bow Island	1
Brooks	1
Bruderheim	1
Calmar	1
Cardston	1
Coaldale	3
Cochrane	2
Cold Lake	5
Didsbury	1
Elk Point	3
Falher	2
Gleichen	1
Granum	2
Grimshaw	3
Lacombe	6
Manning	1
Olds	1
Peace River	2
Penhold	1

TOWNS (continued)	
Ponoka	4
Provost	1
Rainbow Lake	3
Redwater	1
Rimbey	4
Rocky Mountain House	1
Sedgewick	1
Spirit River	1
St. Paul	2
Stavely	1
Sundre	1
Three Hills	1
Tofield	2
Vauxhall	2
Vermilion	1
Westlock	1
Total	70

VILLAGES	
Alix	1
Beiseker	1
Bittern Lake	2
Botha	2
Breton	1
Dewberry	1
Edmonton Beach S.V.	1
Entwistle	1
Halkirk	1
Hughenden	1
Innisfree	1
Plamondon	1
Rockyford	3
Wanham	1
Warner	1
Willingdon	1
Total	20

COUNTIES	
Grande Prairie No. 1	1
Ponoka No. 3	3
Warner No. 5	1
Wetaskiwin No. 10	3
Barrhead No. 11	3
Athabasca No. 12	1
Lacombe No. 14	1
Wheatland No. 16	1
St. Paul No. 19	2
Strathcona No. 20	5
Two Hills No. 21	2
Red Deer No. 23	2
Vermilion River No. 24	3
Leduc No. 25	5
Lethbridge No. 26	1
Lac Ste. Anne No. 28	2
Flagstaff No. 29	3
Lamont No. 30	1
Parkland No. 31	3
Total	43

MUNICIPAL DISTRICTS	
Rocky View No. 44	1
Starland No. 47	2
Total	3

SCHOOL DISTRICTS	
Calgary R.C.S. No. 1	3
Edmonton R.C.S. No. 7	3
Edmonton No. 7	2
Lethbridge C.S. No. 9	2
Calgary No. 19	4
Medicine Hat R.C.S. No. 21	1
Wainwright R.C.S. No. 31	1
North Peace R.C.S. No. 43	1
Medicine Hat No. 76	1
Red Deer Public No. 104	3
Sherwood Park C.S. No. 105	1
Drayton Valley R.C.S. No. 111	1
Spruce Grove R.C.S. No. 128	1
Leduc No. 297	1
Stettler No. 1475	1
Total	26

SCHOOL DIVISIONS	
Cardston No. 2	1
Peace River No. 10	1
Yellowhead No. 12	2
Rocky Mountain No. 15	1
Willow Creek No. 28	1
Wainwright No. 32	2
Westlock No. 37	1
Rocky View No. 41	6
High Prairie No. 48	1
Fairview No. 50	2
Lac La Biche No. 51	1
Fort Vermilion No. 52	2
Three Hills No. 60	1
Mount Rundle No. 64	1
Total	23

WATER COMMISSIONS	
Southwest	1
Total	1

Annexation Applications Granted, by Local Authority

CITIES	
Fort Saskatchewan	1
Total	1

VILLAGES	
Edberg	1
Thorhild	1
Total	2

TOWNS	
Okotoks	1
Pincher Creek	1
Ponoka	2
Trochu	1
Viking	1
Total	6

COUNTIES	
Red Deer No. 23	1
Total	1

Summary of Applications Approved/Granted, by Category of Local Authority

CATEGORY OF LOCAL AUTHORITY	FINANCIAL APPLICATIONS	ANNEXATION APPLICATIONS
Cities	132	1
Towns	70	6
Villages	20	2
Counties	43	1
Municipal Districts	3	0
School Districts	26	0
School Divisions	23	0
Water Commissions	1	0
Totals	318	10